

GOVERNOR YIELDS TO THE WORLD'S DEMAND FOR INVESTIGATION OF THE EQUITABLE

So Impressed by the Continued Revelations of Insurance Scandals that He Sends a Message to the Legislature Recommending the Appointment of a Joint Committee to Suggest Needed Reforms.

(Special to The Evening World.)

ALBANY, N. Y., July 20.—Gov. Higgins to-day surrendered to the public sentiment in favor of a complete investigation of the insurance companies as voiced by The World.

To the surprise of everybody he sent a message to the Legislature calling attention to the insurance situation and recommending that it take up the matter. In his message, which caused a sensation, the Governor said:

"The unfortunate scandals recently made public by the internal dissensions in the Equitable Life Assurance Society and by the comprehensive investigation of its affairs by the Superintendent of Insurance, have, not without just cause, aroused a feeling of intense alarm in the breasts of the thousands of our citizens who have invested their money in policies of life insurance, and of the thousands of non-residents who have been taught to respect the New York companies as safe and secure.

EVILS THAT EXIST.

"While the business of life insurance, as at present conducted, is subject to State supervision and regulation for the purpose of guaranteeing solvency and the fulfillment of contracts on the part of the companies, it is evident that evils and abuses may exist under our law that earnings which should be credited to the policy-holders may be diverted to other purposes, that expenses of operation may be extravagant and wasteful, that unwise investments may be legally made and that trustees may deal indirectly with the trust funds for their personal advantage. It is such a condition of affairs can exist reflects discredit upon the State.

"Legislation is no panacea for the ills of the body-politic that rise from a disordered moral sense. The multiplication of penal statutes does not diminish the spirit of lawlessness, but is rather a symptom of its growth. BUT IT IS APPARENT THAT OUR INSURANCE LAW IS IN SOME PARTICULARS OBSOLETE AND INADEQUATE, AND THAT THE MANAGEMENT OF THE FUNDS OF THESE GREAT COMPANIES IS NOT SUFFICIENTLY SAFEGUARDED.

"The State owes a duty to policy-holders and beneficiaries beyond that of comparing assets with liabilities and permitting the companies to justify their existence by the exhibition of a satisfactory balance sheet and the prompt payment of losses.

SOME NEEDED REFORMS.

"Investments must be restricted, salaries must be limited to amounts bearing a closer relation to the commercial value of the services rendered, trustees must be held to a strict accountability and the policy-holders must be given a more effective share in the government of the companies."

"It may well be that the harsh and arbitrary remedy of dissolution and receivership should be made not a penalty for insolvency, but also a summary check upon a solvent company when it becomes irredeemably the plaything of lawless greed. THE STATE CANNOT PERMIT THE SUBJECTS OF ITS SUPERVISION TO EXIST AS LICENSED PRODIGALS OF OTHER PEOPLE'S MONEY WITHOUT BECOMING AN ACCOMPLICE TO THE OFFENSE.

"We cannot judge all life insurance companies by the sins of one. We should not destroy the edifice to rid ourselves of the vermin that infest it, nor should we kill the parent to stop the progress of the disease. A revision of our insurance laws is necessary, but it should be made with calmness, deliberation and intelligence, and after careful study and investigation.

"Within the scope of his authority and the limits of his time the Superintendent of Insurance has performed his duty with impartial thoroughness. Although he has informed me that by reason of the statutory limitations upon his inquisitorial powers and by reason of the magnitude of the task imposed upon him he would welcome the aid of a legislative investigating committee, I have been of the opinion that he, with his staff of experts and with the authority vested in him to conduct investigations at the expense of the companies examined, was well qualified to collect all necessary evidence upon which to base new legislation, and that no other investigation outside the courts of justice was necessary or desirable pending the investigation now being conducted by him.

"It is, however, of the highest importance that a revision of the insurance law should be enacted as promptly as is consistent with a thorough knowledge of the subject. It is proper and necessary that the Legislature should determine for itself how the information upon which to base such a revision may best be obtained. If in its judgment an investigation conducted by its own members is calculated to produce the most satisfactory results, such an investigation cannot too speedily be begun.

"In order that you may be free to consider and act upon the question at this session, I, therefore, pursuant to the Constitution, do hereby recommend for your consideration the question of the appointment of a joint committee of the Senate and Assembly, with the usual powers of such committees, to investigate, after your adjournment, the operations of life insurance companies doing business in the State, for the purpose of preparing and recommending to the next regular session of the Legislature such proposed legislation as may be adequate and proper to restore public confidence and to compel life insurance companies to conduct a safe, honest and open business for the benefit of their policy-holders."

ACTION OF LEGISLATORS.

As soon as the message had been read Senator Armstrong introduced a concurrent resolution providing for the appointment of a special joint committee of three Senators and five Assemblymen to undertake the investigation. The resolution was referred to the Finance Committee.

The Finance Committee decided to report favorably on the resolution, which appropriates \$50,000 for expenses. The resolution is as follows:

"Whereas, It appears from the preliminary report of the State Superintendent of Insurance on the Equitable Life Assurance Society of New York that the interests of policy holders and their beneficiaries in life insurance companies doing business in the State of New York are not properly safeguarded by existing laws and that revision of the insurance laws of the State should be undertaken, and,

"Whereas, The inquisitorial powers of the Superintendent of Insurance are limited to the examination of the officers and agents of the companies and their books with reference to their business and with a view of their solvency chiefly, and it is expedient that, as a basis for legislation, the operations of such life insurance companies should be investigated as fully and as promptly as may be.

COMMITTEE OF EIGHT.

Resolved, If the Assembly concur, that a joint committee be appointed

at once consisting of three members of the Senate and five members of the Assembly, which committee shall, after the adjournment of the extraordinary session, proceed to investigate and examine the business and affairs of life insurance companies doing business in the State of New York, with reference to the investments of said companies, the relations of the officers thereof to such investments, the relations of such companies to subsidiary corporations, the government and control of said companies, the contractual relations of said companies to their policy-holders, the cost of life insurance, the expenses of said companies, and other phases of life insurance business deemed by the committee to be proper, for the purpose of drafting and reporting to the next session of the Legislature such a revision of the laws regulating and relating to life insurance in this State as said committee may deem proper.

Further Resolved, That the said committee be, and it hereby is, authorized and empowered to REQUIRE AND ENFORCE THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF BOOKS AND PAPERS, TO ADMINISTER OATHS, and to employ counsel, stenographers, clerks and such other employees as may be necessary for the purposes of the investigation, and a sum not exceeding \$50,000 is hereby appropriated out of any moneys in the Treasury, not otherwise appropriated for the purpose of said committee.

Both Houses this afternoon adopted the resolution. The Senate members of the committee will be Armstrong, of Rochester (Chairman), and Tully, of Corning, Republicans, and Rindard, of New York, Democrat. Speaker Nixon said he would not immediately appoint the Assembly members.

In the Assembly Democratic Leader Palmer accused Gov. Higgins of lacking nerve, saying that he did not come out in favor of an investigation until Boss Odell, of the Republican State machine, had returned from Europe and talked about the need of an inquiry by the Legislature.

The action of the Governor created consternation in the insurance lobby and among every member of the Senate and Assembly. It was summed up by Senator Cassidy in this way: "Higgins was driven to something, he should have done voluntarily. He got scared at the eleventh hour."

Senator Stevens, who led the movement for an investigation of insurance companies, remarked: "It looks as if the Governor had finally been driven into a corner, where he could not escape the clamor of the policy-holders for immediate and effectual relief. It would have been far better if the Governor had declared in favor of an investigation before this."

THE GOVERNOR EXPLAINS.

In explanation of his message, Gov. Higgins said to The Evening World correspondent:

"I have not recommended, nor do I now recommend, legislative investigation of life insurance companies. I have recommended to the Legislature that it take the subject under consideration, so that it may dispose of it as its wisdom may dictate. My own position in the matter remains unchanged. I have never said that I would prevent a legislative investigation by refusing to permit the Legislature to consider the matter, as I have the power to do at an extraordinary session, nor have I any intention at any time to assume such a responsibility. If a legislative investigation is to be had it is better that it should begin at once and not be delayed until the regular session, six months hence.

"The extraordinary session was called to consider the charges against Justice Hooker. I thought best to wait the final disposition of his case before recommending other matters for consideration. I have at no time closed my eyes to the gravity of the life insurance scandals, nor have I for one moment turned my back on the policy-holders and their beneficiaries.

"I considered haste provoked by angry and impatient clamor would serve no useful end. As I have often said, I shall in my own way labor unceasingly to secure the correction of abuses and the punishment of wrong-doers without the slightest regard for the social, financial or political standing or influence of any man."

WOMAN FIGHTS FOR CURIOS, NOT M'GARREN CASH

Former Wife Declares She Does Not Need Any of the Late Millionaire's Money.

There will be no legal battle for the great fortune of Alexander H. McGarren, the aged man who lived for many years as a recluse in his fine brownstone mansion at No. 10 West One Hundred and Twenty-second street. Mrs. Hester McGarren, who separated from him after twenty-four years of married life when he discovered that she had another husband living, announced to an Evening World reporter to-day that she would not fight the millionaire's relatives for his money.

"I don't want a cent of Mr. McGarren's money. I have money enough of my own to keep me comfortably. But I will get my own. Presents that he gave me when we were first married and presents that others gave me that I never took from his home when we separated.

"The whole trouble was that our tastes were different. I had the artistic temperament and he didn't. We were happy the greater part of our married life, however, and it is ridiculous to state that he grew to hate me. I have been to see several lawyers to-day in reference to the suit I will probably bring in order to get my belongings from Mr. McGarren's relatives. I am going to get them no matter how hard they may be fought, but as for his money I can have every cent of it."

Does Not Want the Money.

When Mrs. Hester McGarren was seen at her home, No. 30 West Seventeenth street to-day she said to an Evening World reporter:

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MORTON GLAD THERE WILL BE AN INQUIRY

He Will Do All He Can to See that the Equitable End Will Be Far-Reaching.

Paul Morton, Chairman of the Board of Directors of the Equitable Life Assurance Society, made the following statement this afternoon concerning the proposed legislative investigation of that concern:

"I do not object at all to an additional investigation of the life insurance companies of the State. The more complete and searching the legislative investigation is the better it will suit me and the better it will be for the Equitable. We hope that the proposed investigation of all the New York life insurance companies will be as exhaustive as the investigation of the Equitable which began over a month ago by chartering accountants.

"No half-hearted investigation will restore the confidence of the public in the life insurance business. So far as the Equitable Society is concerned it is my intention that the policy holders, the trustees, the new directors and the Chairman of the Board shall know the exact condition of affairs from top to bottom."

TO RELEASE TUTOR IN HIGGINSON CASE.

Dr. Park, the tutor in the family of James Higginson, the banker, who was arrested the other day in Norway charged with robbing the Higginsons of \$15,000, will be set free. The District Attorney to-day withdrew his request for extradition papers from the State Department, not believing Park guilty. The Jews were stolen a few weeks ago from a small box in a writing desk belonging to Mrs. Higginson, the daughter of the banker. Information has reached the District Attorney leading him to believe that Dr. Park was not in any way implicated in stealing the jewels.

Dr. Park was a sort of tutor and attendant upon Thomas Higginson, the sixteen-year-old son of the banker. Miss Dorothy Higginson when told of Dr. Park's arrest said that she was certain a mistake had been made. It has been reported, but denied by the family, that the jewels have been returned.

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\$685,000 EQUITABLE LOAN NOT RECORDED

Bank Examiner Judson Asserts that Item Is Not on Books of Mercantile Trust Company, Which He Has Examined.

Nowhere on any of the books of the Mercantile Trust Company is there the slightest record of the loan of \$685,000 which President H. C. Deming testified in the Hendricks inquiry his bank had loaned to T. D. Jordan, Controller, and James W. Alexander, President of the Equitable Life Assurance Society, as trustees. This statement was made to an Evening World reporter to-day by Assistant Bank Examiner A. C. Judson just after he had completed his semi-annual examination of the books. Mr. Judson was specifically ordered to look for the record of this loan by State Superintendent of Banks Kilburn, who acted at the request of Gov. Higgins and Mr. Hendricks.

Jordan Withheld Information.

This fact, coupled with a statement made to The Evening World to-day by Paul Morton that he did not disburse Controller Jordan because he refused him information on the matter of this \$685,000, but for refusing information on another important matter, has again brought Equitable affairs to a grave crisis.

When Mr. Judson finished his examination of the books of the Mercantile Trust Company, which is one of the important links in the Equitable chain of financial organizations, he was asked if he had found any trace of the \$685,000 loan.

"There is no record of it anywhere," he said. "It is not on the books of the company in the name of the Equitable Society, and it is not there in the name of either Mr. Jordan or Mr. Alexander. As a matter of fact, there is no record of any kind touching on this matter. I know, because I have finished the books and am now working in the vaults."

Deming's Testimony Discredited.

"But," said the reporter, "you read Mr. Deming's testimony before the Superintendent, that such a loan was being carried on the books in the name of Mr. Jordan and Mr. Alexander and that it had been transferred by them to the Equitable Society?"

"I did read it," said Mr. Judson, "and naturally looked for a record of the loan. I found no record, however, anywhere and that is all there is to it."

Mr. Deming was asked about the loan later, but he would not talk. He was told of the statement made by Mr. Judson, and he said:

"You'll have to excuse me; I have nothing to say."

Paul Morton was then asked about the absence of the loan from the records of the Trust Company, and he said:

"I don't know anything about it, and I won't answer any questions about it. I will say, right now, though, that Mr. Jordan was not discredited from the Society for refusing information on this \$685,000 loan. He was dismissed for refusing information on another very important matter."

The absence of the record of this loan from the Mercantile Trust Company's books deepens the mystery surrounding it. Every effort, private and official, to get the facts about this loan has so far failed. Yet that there was such a loan is certain, for Mr. Deming swore to it. His testimony is peculiarly interesting now in view of this latest development. It is as follows in the Hendricks report:

What Deming Swore.

Henry C. Deming was asked whether the Equitable Society carried a loan with the Mercantile Trust Company. He replied that it did not.

Q. There is a rumor that the Equitable Society is carrying a loan of pretty nearly \$700,000 at your bank which does not appear in their statements. A. That is a loan, I assume, that is in the names of James W. Alexander and T. D. Jordan, trustees.

Q. What do you know about the loan?

CARLTON IS INDICTED ON NEW CHARGE

Grand Jury Finds True Bill on Allegations that He Robbed Dr. Goldsmith.

Frederick E. Carlton, under arrest in Brooklyn for grand larceny and suspected of doing away with his two wives, who died of tetanus, was rearrested in the Raymond Street Jail to-day by Detective-Sergeant Flay, of Manhattan Borough, on a warrant issued charging him with grand larceny.

The Grand Jury handed down an indictment against Carlton to-day. The complaint against him is Dr. Goldsmith, of Stamford, Conn., who alleges that on July 26, 1900, Carlton, then known as Martinez, drugged him in his room in the St. Clair Hotel, No. 120 Park Row and robbed him of \$1,500 and some jewelry.

Carlton is now under two indictments for grand larceny, the other case being that of H. C. Schaub, who says Carlton robbed him of \$700 and then tried to kill him. The Kings County Grand Jury indicted him for this larceny on Tuesday.

No action will be taken on the indictment found to-day until the case in Brooklyn has been disposed of.

Secret Drugs Analyzed.

It became known to-day for the first time that a large quantity of mysterious medicine, the exact nature of which no physician has yet been able to determine, was found in the search of the room of Frederick E. Carlton, who is in jail on a grand larceny charge while the death of his two wives is under investigation by the Brooklyn authorities.

Police Inspector Cross admitted at the time his men seized the letters in the room at No. 120 Sands street that he had found Carlton's medicine chest, but he said nothing of these other mysterious medicines. The contents of the medicine chest have been analyzed and found to be harmless drugs, but the chemist has not finished with the other material.

"I expect a report to-day on this medicine," said the inspector, "and I would not be surprised to have my suspicions confirmed. I thought it best not to mention these bottles before. They certainly had a suspicious look."

Caught Carlton in Lie.

Inspector Cross and Michael Gorman, the brother of Mrs. Carlton, have trapped Carlton in a lie. Two weeks before the death of Mrs. Carlton and at a time when the physicians were not certain what was the matter with her, Carlton told Gorman that he knew his wife had tetanus.

Asked how he knew it, Carlton is alleged to have replied:

"I took some cultures from the cat that scratched her and sent them to Parke, Davis & Co. in Manhattan. They have sent back word that the cat had tetanus."

Inspector Cross sent Detective Walden to Parke, Davis & Co. to-day and had a thorough search made of their books. No record was found there of any such communication from Carlton and there was no record of the alleged examination of the cultures.

The police have made a thorough investigation of the record of Carlton, published exclusively in The World, and

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Our regular 50c. Black, Green and Mixed Tea, very fine. 43c

OUR TWO GREAT LEADERS: Broken Java, very fine, 20c. Broken Mocha and Java, 23c.

5 lb. delivered—Manhattan and Brooklyn. 10 lb. 25 cents; 25 lb. 40 cents. Orders by Postal Solicited.

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SPECIAL FOR THURSDAY. Cotted Cream Biscuits, 1 lb. 10c. Chocolate Raspberry Choc. 1 lb. 15c. Lotus Biscuits, 1 lb. 10c.

SPECIAL FOR FRIDAY. Fruit and Nut Cream. Waterbury's Fruit and Nut Assorted Fruit and Nut Assorted, 1 lb. 15c.

54 BARCLAY ST. CORNER 29th and 30th STS. COTTON CANNON

and the facts stated true. The police now believe that Carlton married most of the women with whom he had dealings, and believe that altogether he had had six wives, the first four of whom are now alive.

The first wife, they believe was Helen Murray, who lives in Nebraska; the second, Lulu Kittering, of Covington, Ky.; the third, Edith King, whose home is in Ohio, and the fourth Mildred Peterson, whom Carlton under the name of Martinez, often introduced as his wife. The other two wives were Jennie Smith and Mary Gorman, both of whom died of lockjaw.

Body May Show Poison.

While the chemical analysis of the organs taken from the body of Mrs. Mary Gorman Carlton will not be completed for some days, two of the physicians who were at the exhumation, and autopsy are of the opinion that an unusual condition prevailed, considering the period of interment. This condition, they say, while enough to warrant a suspicion that poison brought about her death, presents no definite evidence. The third physician, Coroner's Physician Vines, does not agree that there is any condition warranting the slightest suspicion of the use of poison, but says nothing will settle the matter but the chemical analysis of the organs.

BABY'S AWFUL SKIN HUMOR

Doctors and Hospitals Called In Chronic Eczema and Said Sores Never Could Be Healed—Child Was Getting So Bad Mother Didn't Know What To Do.

CURED BY CUTICURA AT EXPENSE OF \$1.75

"Words cannot express my gratitude for what Cuticura Soap, Ointment, and Resolvent have done for my son, who when two years old had Eczema as bad as any child could have it. I had several doctors, but when they stopped treating him his head would begin to get sore again, and the next day it got so bad I really didn't know what to do. At last we took him to the hospital, where the doctors said he had Chronic Eczema. They gave me a wash for it, but it was no help. I think it never being cured."

"The child was failing so I thought I must do something, and reading about Cuticura, I went to the nearest drug store and purchased a set of Cuticura Remedies. I used half of it and found some relief and improvement, but I thought the change for the better was only temporary, as it had been with all the other medicines ordered by the doctors. But by the time I had used one and a half boxes of Ointment, one small bottle of Resolvent, and one can of Soap, the cure was complete and permanent, with no sign of a sore from that day to this—over two years. I shall never be without Cuticura Soap, for the children—Mrs. J. Scheppeler, 218 Frost St., Brooklyn, N. Y., Feb. 9, 1905."

Cuticura External and Internal Treatment for Every Humors from Pimples to Scrofula, from Itchiness to Age, containing the active ingredients of the most famous and best of all remedies. A single trial will convince you of its value. Sold by Druggists, or by Mail, 10c. per box. Write for Free Trial.

Ask any Dry Goods Dealer to prepare for you, on order, a collar in accordance with the price per yard of fine linen cloth, such as we use, and compare it to cotton. Why continue to give the cotton collar manufacturer the big difference of price of which he uses as a bonus for the retailer to induce him to carry his inferior collars, when you can get Triangles, "Linen" Collars who get your money's worth?

Demand Triangle "LINEN" Collars at your haberdasher's. Write for "Information About Collars."

4-PLY 16c. Each—Two for 25c. 14 sizes. VAN ZANDT, JACOBS & CO. TROY, N. Y.

DIED. O'LEARY—LILLIAN, beloved daughter of Thomas and Mary O'Leary, aged 1 year 9 days. Funeral on Friday at 2 P. M. from 2129 10th Ave.

LAUNDRY WANTS—FEMALE. ATTENTION—Experienced girls in collar and cuff making department. Apply all week, 100 West 12th St., 2nd floor.

BONNIES on soft negligee shirts, after machines; made of female. Wallace's Laundry, 120 2d Ave.

IRONERS—Body ironers, sleeve, neckband and yoke ironers. Apply all week, 100 West 12th St., 2nd floor. Wallace's Laundry, 120 2d Ave.

IRONERS—Physicians family ironers, also shirts, ironers, Hotel Royalty, 44 W. 44th St.